

SENATE RECORD VOTE ANALYSIS

104th Congress
2nd Session

Vote No. 82

April 24, 1996, 6:42 p.m.
Page S-4055 Temp. Record

ILLEGAL IMMIGRATION/Social Security Accounting & Balanced Budgets

SUBJECT: Immigration Control and Financial Responsibility Act of 1996 . . . S. 1664. Dole motion to table the Dorgan amendment No. 3667, as amended.

ACTION: MOTION TO TABLE AGREED TO, 56-43

SYNOPSIS: As reported, S. 1664, the Immigration Control and Financial Responsibility Act of 1996, will address the issue of illegal immigration: by increasing the number of Border Patrol and investigative personnel; by establishing pilot programs to improve the system used by employers to verify citizenship or work-authorized alien status; by increasing penalties for alien smuggling and document fraud; by reforming asylum, exclusion, and deportation laws and procedures; and by reducing the use of welfare by aliens.

The Dorgan amendment, as amended, would add that it is the sense of the Senate that "because Section 13301 of the Budget Enforcement Act prohibits the use of the Social Security trust fund surplus to offset the budget deficit, any proposal for a constitutional amendment to balance the budget should contain a provision creating a firewall between the receipts and outlays of the Social Security trust funds and the rest of the Federal budget, and that the constitutional amendment should explicitly forbid using the Social Security trust funds to balance the budget." As amended (see vote No. 81), it would also express the sense of the Senate that "any legislation required to implement a balanced budget amendment to the United States Constitution shall specifically prevent social security benefits from being reduced or social security taxes from being increased to meet the balanced budget requirement."

Debate was limited by unanimous consent. Following debate, Senator Dole moved to table the Dorgan amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

NOTE: At the time of the vote, all available openings for offering amendments or motions were filled. The Dorgan amendment did not have precedence, but was voted on by unanimous consent.

Those favoring the motion to table contended:

(See other side)

YEAS (56)			NAYS (43)		NOT VOTING (1)	
Republicans (52 or 100%)	Democrats (4 or 9%)		Republicans (0 or 0%)	Democrats (43 or 91%)	Republicans (1)	Democrats (0)
Abraham	Helms	Kohl		Akaka	Heflin	Smith- ²
Ashcroft	Hutchison	Moseley-Braun		Baucus	Hollings	
Bennett	Inhofe	Robb		Biden	Inouye	
Bond	Jeffords	Simon		Bingaman	Johnston	
Brown	Kassebaum			Boxer	Kennedy	
Burns	Kempthorne			Bradley	Kerrey	
Campbell	Kyl			Breaux	Kerry	
Chafee	Lott			Bryan	Lautenberg	
Coats	Lugar			Bumpers	Leahy	
Cochran	Mack			Byrd	Levin	
Cohen	McCain			Conrad	Lieberman	
Coverdell	McConnell			Daschle	Mikulski	
Craig	Murkowski			Dodd	Moynihan	
D'Amato	Nickles			Dorgan	Murray	
DeWine	Pressler			Exon	Nunn	
Dole	Roth			Feingold	Pell	
Domenici	Santorum			Feinstein	Pryor	EXPLANATION OF ABSENCE: 1—Official Business 2—Necessarily Absent 3—Illness 4—Other
Faircloth	Shelby			Ford	Reid	
Frist	Simpson			Glenn	Rockefeller	
Gorton	Snowe			Graham	Sarbanes	
Gramm	Specter			Harkin	Wellstone	
Grams	Stevens				Wyden	
Grassley	Thomas					
Gregg	Thompson					
Hatch	Thurmond					
Hatfield	Warner					

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

The Dorgan amendment has been offered supposedly "to protect" Social Security from being raided as a result of passing a constitutional requirement to balance the budget. It is identical in its thrust to several amendments that have already been offered this Congress by certain Democratic Senators who are anxious to have an excuse for voting against a balanced budget constitutional amendment (see 104th Congress, 1st session, vote Nos. 52, 65, and 80). Though the specific language our Democratic colleagues offered on prior votes would have proved very destructive for the Social Security program, we do not believe that it is impossible to work out language that would accommodate what they claim they want. Our colleagues ought to be careful--they may just get what they are asking for.

The basic, false idea that is being peddled by our colleagues is that there is a giant piggy bank called the Social Security trust fund out of which Congress regularly steals money that will not then be there when it is needed. We have a news flash for the American people--Social Security does not have a piggy bank. Every penny collected in surplus, by law, is immediately invested in Treasury notes (the safest security in the world). Those notes are IOU's. The cash is immediately spent by Congress. Social Security has been running huge surpluses since the early 1980s. Most of those Senators who are now complaining that the money that has been used to buy Treasury notes has been spent voted to spend that money. They resisted efforts by Presidents Reagan and Bush to reduce spending. Every budget that they have ever endorsed has spent every cent gained from Social Security surpluses. Further, the very same Senators who are demanding that excess revenues from Social Security not be counted in a budget have never, ever, put forth such a budget. To put it as politely as possible, they are being inconsistent.

Though the Social Security trust fund does not really exist except on paper, the Social Security program is not even remotely threatened by that fact. Listening to our colleagues, one may well get the impression that a balanced budget amendment will result in implementing legislation that will lower Social Security benefits or raise Social Security taxes in an effort to eliminate the deficit by the time the amendment goes into effect. It is true that as Congress moves towards a balanced budget, painful spending cuts are going to have to be made. However, program priorities will be weighed against each other and less popular programs will obviously be cut. We defy any Senator to name any program that has more political support than Social Security. In short, any suggestion that Social Security will be raided to eliminate our current deficits is absolutely false; cuts will fall on less popular programs.

Once the budget is in balance it will be even more difficult to raid this program because, due to actuarial realities, its political importance will have increased, and it will continue to increase every year. The fact that cannot be denied is that the number of retirees who are dependent on Social Security is going to increase tremendously in the next several decades. With tens of millions of more retired Americans needing their Social Security checks, often as a matter of life or death, this program's importance will obviously grow exponentially. When weighing it against other programs in balancing the budget, it will therefore even be less likely to be cut when the budget is balanced than it is to be in the next few years.

Annual Social Security surpluses are currently around \$70 billion. If we were to pass a budget that said that that amount could not be used in a budget, it would instead be used to lower the deficit. We would, and should, still buy Treasury bonds, and the \$70 billion would then be in the Treasury general fund. We would not then go and open a pass-book savings account at the local S&L; we would instead use that \$70 billion to pay off part of the debt (though if we were to open a pass-book account the budget effect would be the same). Without spending caps or a balanced budget requirement this action would be meaningless, because the Government could then borrow \$70 billion, \$170 billion, or more, but with hard and fast spending caps it would serve to reduce spending. The Government would actually spend less than it collected in a year, which our colleagues, in effect, are demanding. In principle, we have absolutely no objection to that demand. Our colleagues are saying we should not have a balanced budget; we should have a budget in surplus. Having such a budget would cause hardships, but it would move us past the need to balance the budget to the next necessary step, which is to reduce the huge Federal debt. For the information of our colleagues, we are working on a constitutional balanced budget amendment that will phase in the requirement to use Social Security surpluses to reduce the debt. The unified budget (counting Social Security) would be balanced by 2002, and the budget without Social Security (that would use surpluses to reduce the debt) would be balanced 4 years later. The language would be different than that formerly proposed by our colleagues, which was problematic for a number of reasons (see vote No. 65), but the effect which our colleagues claim to want would be achieved.

The Dorgan amendment is premised on the false belief that Social Security funds are being taken from the program, and that in the future, when less revenue is coming in to the program than is going out, Congress will not be willing to raise taxes or cut other spending to pay for benefits. This premise is utter nonsense. Social Security is by far the most supported, most critical program that the Federal Government has. When there is a shortage of revenue, the least popular programs lose funding, not the most popular. Though we do not mind working on language that will force the Government to go beyond balancing the budget to paying down the debt, we are not about to support an amendment that suggests that the Social Security program is in any way threatened by the Government balancing the budget. Therefore, we support the motion to table.

Those opposing the motion to table contended:

If we do not pass a specific exemption for Social Security in a balanced budget amendment, then Social Security will not be protected, and will in fact be in great peril. Every Senator is convinced that Social Security must be protected, but, just as Senators

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disagree over whether the budget can be balanced without a constitutional amendment, they disagree over whether Social Security can be protected without a specific clause to keep its funds off-budget. In our estimation, a specific clause is necessary.

Until recently the Social Security system was operated on a pay-go basis. However, in the early 1980's, a modification was made that was necessitated by demographic changes. People were living longer, and thus collecting benefits longer, and the ratio of current workers to current retirees was declining. Both of those trends were projected to continue, which would have greatly increased the burden on future workers if the program had remained on a pay-go basis. The decision was consequently made to build up large reserves in the Social Security trust fund by increasing taxes on current workers.

In making this decision, though, no one anticipated the enormous deficits that would be run by the Federal Government in the ensuing years. By law every penny that is collected in Social Security taxes is invested in Treasury bonds. Thus, when bonds were bought, the money went into the general fund of the Treasury. That money was then spent. When the general fund was exhausted, the Federal Government would borrow more money by selling Treasury bonds to the private sector and foreign governments, and would continue spending. The amount of additional spending each year that was financed by such borrowing was counted as deficit spending. However, the amount borrowed from Social Security was never counted as deficit spending, even though every penny of that amount had to be repaid the same as the money that was borrowed from the private sector and foreign governments. In other words, the surpluses in the Social Security trust fund were being used to mask the true size of the deficit. The debit entry appeared in the ledger books, but the corresponding credit entry to show that this money was not the Federal Government's, but Social Security participants', was never made. Each year the size of the deficit was understated. In 1990, in an attempt to stop this practice, Congress changed its budget accounting rules by taking Social Security off-budget. Money borrowed from Social Security could thus no longer be counted as revenue in deficit calculations. This change had very broad bipartisan support in the Senate. Unfortunately, that change, which is still in effect, has been routinely ignored.

Statutory protection for Social Security clearly is not enough. If there is a constitutional requirement to balance the budget, the pressure to use funds from Social Security will be great. We will not run surpluses, and when Social Security begins to run deficits, the money will have been spent, and it will be unconstitutional to borrow more money to pay the benefits that are due. Unless it is given specific protection in a constitutional balanced budget amendment, Social Security will be destroyed by such an amendment. We do not want to see Social Security destroyed, so we favor the Dorgan amendment.